

July 26, 2022

Honorable Judge Martin Glenn US Bankruptcy Court for the Southern District of New York  
Case #: 22-10964

Dear Honorable Judge Martin Glenn,

I, like many others, was convinced that my assets were safe and liquid with Celsius Network LLC (Celsius). Alex Mashinsky, CEO of Celsius, deceived me and everyone else whose funds are locked up time and time again, replying on Twitter even up to the day before the withdrawal freeze (Jun 12) "...do you know even one person who has a problem withdrawing from Celsius?"

About a year ago, I transferred \$20,000USD (most) of my savings in the form of USD-backed cryptocurrency USDC, convincing myself it was a safe investment, that I would be able to retrieve the funds at any point I needed them, at their full value and more. It hardly seemed like a risky investment. I took advantage of promotions by adding more money in other coins to my account and earned on those as well. In 2021, I paid taxes on all my ~\$2000USD earnings in the form of 1099-MISC. Not only am I not able to access any of these investments I once considered safe, but I was taxed on earnings that I may never see, in addition to potentially never seeing my savings again. The account my assets are in is part of the "Earn" account, which Celsius only disclosed in their Terms and Conditions as having full control of as a loan to the company. I'd like to note that the Terms also state under the Earn account that "You may terminate any loan to Celsius at any time, and request that Celsius return the borrowed Eligible Digital Assets and deliver any Rewards accrued from the Earn Service, by transferring such Eligible Digital Assets and Rewards to your external Virtual Wallet ... or to the Custody Service, if available." The company seems to be in direct violation of their terms and conditions by not providing the ability to retrieve your loan funds.

Celsius went a long way to advertise their product as a "no-risk savings account", touting up to 17% APR on their investments, while constantly doing damage control on the Friday AMA's on YouTube, assuring customers that their funds are safe and the naysayers spreading fear, uncertainty and doubt (FUD), were wrong. They gave incredibly vague explanations of how they were able to provide such high returns, with short-term lending to high institutions at high rates, while being fully transparent about how much their customers were "earning", although it seems that the assets were never fully there. They failed to incorporate any basic risk management strategies by not keeping the assets obtained from customers on hand that they could retrieve at any time. It's clear now that the company was running a Ponzi scheme, misinforming millions that they were getting a great deal all while mismanaging all of our hard-earned savings.

My story is small potatoes compared to the many that have already written, who fear losing their homes, not having enough for their soon-expected children, or too old to wait for bankruptcy court to settle to wait to withdraw their funds. I am lucky to be relatively young, and healthy, and have not put all my eggs in this basket. But quite frankly, the ~\$23,000 I have wrapped up in Celsius is a huge opportunity cost for me, and crushes plenty of plans for me, near and long-term, if I can't get it back. The feeling we all share is mutual. We feel duped, angry,

ashamed, and have lost trust. Alex Mashinsky, pushing away any who spoke of FUD, ironically created an immense amount of FUD in the crypto space, and destroyed billions in assets for good people. Please keep us all in mind when making your ruling decisions.

Sincerely,  
O. Romero